

J. WALTER THOMPSON COMPANY

420 LEXINGTON AVENUE
NEW YORK 17

February 5, 1964

Mr. Lawrence W. Bruff
Vice President
Liggett & Myers Tobacco Co.
630 Fifth Avenue
New York 20, New York

Dear Larry:

Immediately on receipt of your memorandum of January 29, concerning the need for escape clauses in new contracts or renewals, Mr. Wierum sounded out the three television networks on this point.

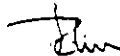
I would appreciate it if you would read the attached memorandum from Mr. Wierum to me, which I think we ought to discuss together after you have had a chance to study it.

My own interpretation of this is that the networks will not let us out of a contract unless the continuance of it would be illegal or in violation of FTC or FCC regulations. This would be all right in context with your memorandum, if the FTC made it "impossible" for us to continue; but it would not be all right if the FTC made it "untenable" for us to continue.

A situation which might arise to our disadvantage would be this: The FTC could conceivably insist on such a damaging wording of the required caution copy that if they also insisted on its being delivered both by audio and by video, we might consider that complying with their regulations virtually negated the value of a television commercial. This is an extreme case but it is conceivable that such a situation might arise and, if it did, the networks could say that since we were not legally prohibited from advertising on television, we would have to continue the contract despite such a restriction.

I am concerned about it, and think we should discuss it further and promptly.

Sincerely yours,



Vice President

John Monsarrat/vb
Attachment

cc Mr. H. C. Robinson, Jr.
Messrs. Charnas, Glynn, Hyman, Devine, Wierum

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